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IN SENATE

OF

THE UNITED STATES.

January 22, 1817.

Resolved, That 500 copies be printed of the report of Mr. Jefferson, then Secretary of State, dated December 16, 1793, on the privileges and restrictions of the commerce of the United States in foreign countries, pursuant to the resolution of the House of Representatives of February 23, 1791.

(No. 1.)

Philadelphia, December 16, 1793.

SIR,

Having, according to a resolution of the House of Representatives of February 23, 1791, given in to that House a report on the privileges and restrictions on the commerce of the United States in foreign countries, I think it my duty to lay a copy of it before the Senate, and have the honour of being, with the most perfect respect, sir,

Your most obedient,
And most humble servant,
TH: JEFFERSON.

The President of the Senate.

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(No. 2.)

Philadelphia, December 16, 1793.

Sir,

According to the pleasure of the House of Representatives, expressed in their resolution of February 23, 1791, I now lay before them a report on the privileges and restrictions on the commerce of the United States in foreign countries. In order to keep the subject within those bounds which I supposed to be under the contemplation of the House, I have restrained my statements to those countries only with which we carry on a commerce of some importance, and to those articles, also, of our produce which are of sensible weight in the scale of our exports; and even these articles are sometimes grouped together according to the degree of favour or restriction with which they are received in each country, and that degree expressed in general terms without detailing the exact duty levied on each article. To have gone fully into these minutiæ, would have been to copy the tariffs and books of rates of the different countries, and to have hidden under a mass of detail those general and important truths, the extraction of which in a simple form I conceived would best answer the inquiries of the House, by condensing material information within those limits of time and attention which this portion of their duties may justly claim. The plan, indeed, of minute details, would have been impracticable with some countries for want of information.

Since preparing this report, which was put into its present form in time to have been given in to the last session of Congress, alterations of the conditions of our commerce with some foreign nations

have taken place—some of them independent of the war, some arising out of it.

France has proposed to enter into a new treaty of commerce with us on liberal principles, and has in the mean time relaxed some of the restraints mentioned in the report. Spain has, by an ordinance of June last, established New-Orleans, Pensacola, and St. Augustine into free ports for the vessels of friendly nations *having treaties of commerce* with her, provided they touch for a permit at Corcubion in Gallicia, or at Alicant; and our rice is by the same ordinance excluded from that country. The circumstances of the war have, necessarily, given us free access to the West-Indian Islands, whilst they have, also, drawn on our navigation vexations and depredations of the most serious nature.

To have endeavoured to describe all these, would have been as impracticable as useless, since the scenes would have been shifting while under description. I, therefore, think it best to leave the report as it was formed—being adapted to a particular point of time, when things were in their settled order, that is to say, to the summer of 1792.

I have the honour to be,
With the most profound respect,
Sir,
Your most obedient humble servant,
TH: JEFFERSON.

To the Speaker of the House of
Representatives of the United States.

The Secretary of State, to whom was referred, by the House of Representatives, the report of a committee on the written message of the President of the United States, of the 14th of February, 1791, with instruction to report to Congress the nature and extent of the privileges and restrictions of the commercial intercourse of the United States with foreign nations, and the measures which he should think proper to be adopted for the improvement of the commerce and navigation of the same, has had the same under consideration, and thereupon makes the following

REPORT.....

The countries with which the United States have their chief commercial intercourse, are Spain, Portugal, France, Great Britian, the United Netherlands, Denmark, and Sweden, and their American possessions: and the articles of export which constitute the basis of that commerce, with their respective amounts, are:

Bread stuff, that is to say, bread grains, meals, and bread, to the annual amount of	$7,649,887
Tobacco,	4,349,567
Rice,	1,753,796
Wood,	1,263,534
Salted fish,	941,096
Pot and pearl ash,	839,093
Salted meats,	599,130
Indigo,	537,379
Horses and mules,	339,753
Whale oil,	252,591
Flax seed,	236,072

Tar, pitch, and turpentine,	217,177
Live provisions,	137,743
Ships,	
Foreign goods	620,274

To descend to articles of smaller value than these would lead into a minuteness of detail neither necessary nor useful to the present object.

The proportions of our exports, which go to the nations before mentioned, and to their dominions, respectively, are as follows:

To Spain and its dominions,	2,005,907
Portugal and its dominions,	1,283,462
France and its dominions,	4,698,735
Great Britain and its dominions,	9,363,416
The United Netherlands and their dominions,	1,963,880
Denmark and its dominions,	224,415
Sweden and its dominions,	47,240

Our imports from the same countries, are:

Spain and its dominions,	355,110
Portugal and its dominions,	595,763
France and its dominions,	2,068,348
Great Britain and its dominions,	15,285,428
United Netherlands and their dominions,	1,172,692
Denmark and its dominions,	351,364
Sweden and its dominions,	14,325

These imports consist mostly of articles on which industry has been exhausted.

Our *navigation* depending on the same commerce, will appear by the following statement of the tonnage of our own vessels, entering into our ports, from those several nations and their possessions, in one year, that is to say, from October, 1789, to September, 1790, inclusive, as follows:

Spain,	*Tons.* 19.695
Portugal,	23,576

France,	116,410
Great Britain,	43,580
United Netherlands,	58,808
Denmark,	14,655
Sweden,	750

Of our commercial objects, Spain receives favourably our bread stuff, salted fish, wood, ships, tar, pitch, and turpentine. On our meals, however, as well as on those of other foreign countries, when re-exported to their colonies, they have lately imposed duties of from half a dollar to two dollars the barrel, the duties being so proportioned to the current price of their own flour, as that both together are to make the constant sum of nine dollars per barrel.

They do not discourage our rice, pot and pearl ash, and salted provisions, or whale oil; but these articles being in small demand at their markets, are carried thither but in a small degree. Their demand for rice, however, is increasing. Neither tobacco nor indigo are received there. Our commerce is permitted with their Canary islands under the same conditions.

Themselves and their colonies are the actual consumers of what they receive from us.

Our navigation is free with the kingdom of Spain; foreign goods being received there in our ships on the same conditions as if carried in their own, or in the vessels of the country of which such goods are the manufacture or produce.

Portugal receives favourably our grain, and bread, salted fish, and other salt provisions, wood, tar, pitch, and turpentine.

For flax seed, pot and pearl ash, though not discouraged, there is little demand.

Our ships pay 20 per cent. on being sold to their subjects, and are then free bottoms.

Foreign goods, (except those of the East Indies) are received on the same footing in our vessels as in their own, or any others; that is to say, on general duties of from 20 to 28 per cent., and, consequently, our navigation is unobstructed by them. Tobacco, rice, and meals are prohibited.

Themselves and their colonies consume what they receive from us.

These regulations extend to the Azores, Madeira, and the Cape de Verd islands, except that in these, meals and rice are received freely.

France receives favourably our bread stuff, rice, wood, pot and pearl ashes.

A duty of 5 louis the kental, or nearly 4½ cents, is paid on our tar, pitch, and turpentine. Our whale oils pay 6 livres the kental, and are the only foreign whale oils admitted. Our indigo pays 5 livres the kental; their own 2½: but a difference of quality, still more than a difference of duty, prevents its seeking that market.

Salted beef is received freely for re-exportation; but if for home consumption, it pays 5 livres the kental. Other salted provisions pay that duty in all cases, and salted fish is made, lately, to pay the prohibitory one of 20 livres the kental.

Our ships are free to carry thither all foreign goods which may be carried in their own or any other vessels, except tobacco not of our own growth; and they participate with theirs the exclusive carriage of our whale oils and tobaccos.

During their former government our tobacco was under a monopoly, but paid no duties; and our ships were freely sold in their ports and converted into national bottoms. The first national assembly took from our ships this privilege. They emancipated tobacco from its monopoly, but subjected it to duties of 18 livres 15 sous the kental,

carried in their own vessels, and 25 livres, carried in ours; a difference more than equal to the freight of the article.

They and their colonies consume what they receive from us.

Great Britain receives our pot and pearl ashes free, while those of other nations pay a duty of 2*s.* 3*d.* the kental. There is an equal distinction in favour of our bar iron; of which article, however, we do not produce enough for our own use. Woods are free, from us, whilst they pay some small duty from other countries. Indigo and flax-seed are free from all countries. Our tar and pitch pay 11*d.* sterling the barrel. From other alien countries they pay about a penny and a third more.

Our tobacco, for their own consumption, pays 1*s.* 3*d.* sterling the pound, custom and excise, besides heavy expenses of collection; and rice, in the same case, pays 7*s.* 4*d.* sterling the hundred weight; which, rendering it too dear as an article of common food, it is consequently used in very small quantity.

Our salted fish and other salted provisions, except bacon, are prohibited. Bacon and whale oils are under prohibitory duties; so are our grains, meals and bread, as to internal consumption, unless in times of such scarcity as may raise the price of wheat to 50*s.* sterling the quarter, and other grains and meals in proportion.

Our ships, though purchased and navigated by their own subjects, are not permitted to be used even in their trade with us. While the vessels of other nations are secured by standing laws, which cannot be altered but by the concurrent will of the three branches of the British legislature, in carrying thither any produce or manufacture of

the country to which they belong which may be lawfully carried in any vessels, ours, with the same prohibition of what is foreign, are further prohibited, by a standing law, (12Car. 2. 18. § 3.) from carrying thither all and any of our own domestic productions and manufactures. A subsequent act, indeed, has authorized their executive to permit the carriage of our own productions in our own bottoms, at its sole discretion; and the permission has been given, from year to year, by proclamation, but subject every moment to be withdrawn on that single will, in which event, our vessels, having any thing on board, stand interdicted from the entry of all British ports. The disadvantage of a tenure which may be so suddenly discontinued, was experienced by our merchants on a late occasion,* when an official notification that this law would be strictly enforced, gave them just apprehensions for the fate of their vessels and cargoes despatched or destined to the ports of Great Britain. The minister of that court, indeed, frankly expressed his personal conviction that the words of the order went further than was intended, and so he afterwards officially informed us: but the embarrassments of the moment were real and great, and the possibility of their renewal lays our commerce, to that country, under the same species of discouragement as to other countries, where it is regulated by a single legislator: and the distinction is too remarkable not to be noticed, that our navigation is excluded from the security of fixed laws, while that security is given to the navigation of others.

Our vessels pay, in their ports, 1*s.* 9*d.* sterling per ton, light and trinity dues, more than is paid

* April 12, 1792.

by British ships, except in the port of London, where they pay the same as British.

The greater part of what they receive from us is re-exported to other countries, under the useless charges of an intermediate deposite and double voyage. From tables published in England, and composed, as is said, from the books of their custom houses, it appears, that of the indigo imported there in the years 1773–4–5, one third was re-exported; and from a document of authority, we learn, that of the rice and tobacco imported there before the war, four-fifths were re-exported. We are assured, indeed, that the quantities sent thither for re-exportation since the war, are considerably diminished, yet less so than reason and national interest would dictate. The whole of our grain is re-exported, when wheat is below 50*s.* the quarter, and other grains in proportion.

The United Netherlands prohibit our pickled beef and pork, meals and bread of all sorts, and lay a prohibitory duty on spirits distilled from grain.

All other of our productions are received on varied duties, which may be reckoned, on a medium, at about 3 per cent.

They consume but a small proportion of what they receive. The residue is partly forwarded for consumption in the inland parts of Europe, and partly reshipped to other maritime countries. On the latter portion they intercept, between us and the consumer, so much of the value as is absorbed by the charges attending an intermediate deposite.

Foreign goods, except some East India articles, are received in vessels of any nation.

Our ships may be sold and naturalized there, with exceptions of one or two privileges, which somewhat lessen their value.

Denmark lays considerable duties on our tobacco and rice, carried in their own vessels, and half as much more if carried in ours; but the exact amount of these duties is not perfectly known here. They lay such as amount to prohibitions on our indigo and corn.

Sweden receives favourably our grains and meals, salted provisions, indigo, and whale oil.

They subject our rice to duties of 16 mills the pound weight, carried in their own vessels, and of 40 per cent. additional on that, or $22\frac{4}{10}$ mills, carried in ours or any others. Being thus rendered too dear, as an article of common food, little of it is consumed with them. They consume some of our tobaccos, which they take circuitously through Great Britain, levying heavy duties on them also; their duties of entry, town duties, and excise, being $4 34 the hundred weight, if carried in their own vessels, and of 40 per cent. on that, additional, if carried in our own or any other vessels.

They prohibit, altogether, our bread, fish, pot and pearl ashes, flaxseed, tar, pitch and turpentine, wood, (except oak timber and masts,) and all foreign manufactures.

Under so many restrictions and prohibitions, our navigation with them is reduced almost to nothing.

With our neighbours, an order of things much harder presents itself.

Spain and Portugal refuse, to those parts of America which they govern, all direct intercourse with any people but themselves. The commodities in mutual demand between them and their neighbours, must be carried to be exchanged in some part of the dominant country, and the transportation between that and the subject state must be in a domestic bottom.

France, by a standing law, permits her West-India possessions to receive directly our vegetables, live provisions, horses, wood, tar, pitch, and turpentine, rice and maize, and prohibits our other bread stuff; but a suspension of this prohibition having been left to the colonial legislatures, in times of scarcity, it was formerly suspended occasionally, but latterly without interruption.

Our fish and salted provisions (except pork) are received in their islands under a duty of 3 colonial livres the kental, and our vessels are as free as their own to carry our commodities thither, and to bring away rum and molasses.

Great Britain admits in her islands our vegetables, live provisions, horses, wood, tar, pitch, and turpentine, rice and bread stuff, by a proclamation of her executive limited always to the term of a year, but hitherto renewed from year to year. She prohibits our salted fish and other provisions. She does not permit our vessels to carry thither our own produce. Her vessels alone may take it from us, and bring in exchange, rum, molasses, sugar, coffee, cocoa-nuts, ginger, and pimento. There are, indeed, some freedoms in the island of Dominica, but under such circumstances as to be little used by us. In the British continental colonies, and in Newfoundland, all our productions are prohibited, and our vessels forbidden to enter their ports. Their governors, however, in times of distress, have power to permit a temporary importation of certain articles in their own bottoms, but not in ours.

Our citizens cannot reside as merchants or factors within any of the British plantations: this being expressly prohibited by the same statute of 12 Car. 2. c. 18. commonly called the navigation act.

In the Danish American possessions a duty of 5

per cent. is levied upon our corn, corn meal, rice, tobacco, wood, salted fish, indigo, horses, mules, and live stock, and of 10 per cent. on our flour, salted pork, and beef, tar, pitch, and turpentine.

In the American islands of the United Netherlands and Sweden, our vessels and produce are received, subject to duties, not so heavy as to have been complained of; but they are heavier in the Dutch possessions on the continent.

To sum up these restrictions, so far as they are important:—

1st. *In Europe.* Our bread stuff is, at most times, under prohibitory duties in England, and considerably dutied on re-exportation from Spain to her colonies.

Our tobaccos are heavily dutied in England, Sweden, and France, are prohibited in Spain and Portugal.

Our rice is heavily dutied in England and Sweden, and prohibited in Portugal.

Our fish and salted provisions are prohibited in England, and under prohibitory duties in France.

Our whale oils are prohibited in England and Portugal. And our vessels are denied naturalization in England, and of late in France.

2d *In the West Indies.* All intercourse is prohibited with the possessions of Spain and Portugal.

Our salted provisions and fish are prohibited by England.

Our salted pork and bread stuff (except maize) are received under temporary laws only in the dominions of France, and our salted fish pays there a weighty duty.

3d. *In the article of navigation.* Our own carriage of our own tobacco is heavily dutied in Sweden, and lately in France.

We can carry no article, not of our own production, to the British ports in Europe.

Nor even our own produce to her American possessions.

Such being the restrictions on the commerce and navigation of the United States, the question is, in what way they may best be removed, modified, or counteracted?

As to commerce two methods occur. 1st. By friendly arrangements with the several nations with whom these restrictions exist. 2nd. By the separate act of our own legislatures for countervailing their effects.

There can be no doubt, but that of these two, friendly arrangement is the most eligible. Instead of embarrassing commerce under piles of regulation laws, duties, and prohibitions, could it be relieved from all its shackles in all parts of the world, could every country be employed in producing that which nature has best fitted it to produce, and each be free to exchange with others mutual surplusses for mutual wants, the greatest mass possible would then be produced of those things which contribute to human life and human happiness; the numbers of mankind would be increased, and their condition bettered.

Would even a single nation begin with the United States this system of free commerce, it would be adviseable to begin it with that nation; since it is one by one, only, that it can be extended to all. Where the circumstances of either party render it expedient to levy a revenue, by way of impost, on commerce, its freedom might be modified, in that particular, by mutual and equivalent measures, preserving it entire in all others.

Some nations, not yet ripe for free commerce in all its extent, might still be willing to modify its

restrictions and regulations for us in proportion to the advantages which an intercourse with us might offer. Particularly they may concur with us in reciprocating the duties to be levied on each side, or in compensating any excess of duty, by equivalent advantages of another nature. Our commerce is certainly of a character to entitle it to favour in most countries. The commodities we offer are either necessaries of life, or materials for manufacture, or convenient subjects of revenue; and we take in exchange either manufactures, when they have received the last finish of art and industry, or mere luxuries. Such customers may reasonably expect welcome and friendly treatment at every market. Customers too, whose demands increasing with their wealth and population, must very shortly give full employment to the whole industry of any nation whatever, in any line of supply they may get into the habit of calling for from it.

But should any nation, contrary to our wishes, suppose it may better find its advantage by continuing its system of prohibitions, duties, and regulations, it behooves us to protect our citizens, their commerce, and navigation, by counter-prohibitions, duties, and regulations also. Free commerce and navigation are not to be given in exchange for restrictions and vexations: nor are they likely to produce a relaxation of them.

Our navigation involves still higher considerations. As a branch of industry it is valuable; but as a resource of defence, essential.

Its value, as a branch of industry is enhanced by the dependence of so many other branches on it. In times of general peace it multiplies competitors for employment in transportation, and so keeps that at its proper level; and in times of war, that is to say, when those nations who may be our principal

carriers shall be at war with each other, if we have not within ourselves the means of transportation, our produce must be exported in belligerent vessels at the increased expense of war-freight and insurance, and the articles, which will not bear that, must perish on our hands.

But it is as a resource for defence, that our navigation will admit neither neglect nor forbearance. The position and circumstances of the United States leave them nothing to fear on their land-board, and nothing to desire beyond their present rights. But on their sea-board they are open to injury, and they have there, too, a commerce which must be protected; this can only be done by possessing a respectable body of citizen-seamen, and of artists and establishments in readiness for ship-building.

Were the ocean, which is the common property of all, open to the industry of all, so that every person and vessel should be free to take employment wherever it could be found, the United States would certainly not set the example of appropriating to themselves, exclusively, any portion of the common stock of occupation. They would rely on the enterprise and activity of their citizens for a due participation of the benefits of the seafaring business, and for keeping the marine class of citizens equal to their object. But if particular nations grasp at undue shares, and, more especially, if they seize on the means of the United States to convert them into aliment for their own strength, and withdraw them entirely from the support of those to whom they belong, defensive and protecting measures become necessary on the part of the nation whose marine resources are thus invaded, or it will be disarmed of its defence; its productions will lie at the mercy of the nation which has possessed it-

self exclusively of the means of carrying them, and its politics may be influenced by those who command its commerce. The carriage of our own commodities, if once established in another channel, cannot be resumed in the moment we may desire. If we lose the seamen and artists, whom it now occupies, we lose the present means of marine defence; and time will be requisite to raise up others, when disgrace or losses shall bring home to our feelings the error of having abandoned them. The materials for maintaining our due share of navigation are ours in abundance; and as to the mode of using them, we have only to adopt the principles of those who thus put us on the defensive, or others equivalent and better fitted to our circumstances.

The following principles, being founded in reciprocity, appear perfectly just, and to offer no cause of complaint to any nation:

1. Where a nation imposes high duties on our productions, or prohibits them altogether, it may be proper for us to do the same by theirs, first burdening or excluding those productions, which they bring here in competition with our own of the same kind; selecting next such manufactures as we take from them in greatest quantity, and which at the same time we could the soonest furnish to ourselves, or obtain from other countries; imposing on them duties lighter at first, but heavier and heavier afterwards, as other channels of supply open. Such duties having the effect of indirect encouragement to domestic manufactures of the same kind, may induce the manufacturer to come himself into these States, where cheaper subsistence, equal laws, and a vent of his wares, free of duty, may ensure him the highest profits from his skill and in-

dustry. And here, it would be in the power of the State governments to co-operate, essentially, by opening the resources of encouragement which are under their control, extending them liberally to artists in those particular branches of manufacture for which their soil, climate, population, and other circumstances, have matured them, and fostering the precious efforts and progress of *household* manufacture by some patronage suited to the nature of its objects, guided by the local informations they possess, and guarded against abuse by their presence and attentions The oppressions on our agriculture in foreign ports would thus be made the occasion of relieving it from a dependence on the councils and conduct of others, and of promoting arts, manufactures, and population at home.

2. Where a nation refuses permission to our merchants and factors to reside within certain parts of their dominions, we may, if it should be thought expedient, refuse residence to theirs in any and every part part of our ours, or modify their transactions.
3. Where a nation refuses to receive in our vessels any productions but our own, we may refuse to receive, in theirs, any but their own productions. The first and second clauses of the bill reported by the committee, are well formed to effect this object.
4. Where a nation refuses to consider any vessel as ours which has not been built within our territories, we should refuse to consider as theirs any vessel not built within their territories.
5. Where a nation refuses to our vessels the carriage even of our own productions, to cer

tain countries under their domination we might refuse to theirs, of every description, the carriage of the same productions to the same countries. But as justice and good-neighbourhood would dictate that those who have no part in imposing the restriction on us should not be the victims of measures adopted to defeat its effect, it may be proper to confine the restriction to vessels owned or navigated by any subjects of the same dominant power, other than the inhabitants of the country to which the said productions are to be carried. And to prevent all inconvenience to the said inhabitants, and to our own, by too sudden a check on the means of transportation, we may continue to admit the vessels marked for future exclusion, on an advanced tonnage, and for such length of time only, as may be supposed necessary to provide against that inconvenience.

The establishment of some of these principles by Great Britain, alone, has already lost us in our commerce with that country and its possessions, between eight and nine hundred vessels of near 40,000 tons burden, according to statements from official materials, in which they have confidence. This involves a proportional loss of seamen, shipwrights, and ship building, and is too serious a loss to admit forbearance of some effectual remedy.

It is true, we must expect some inconvenience in practice from the establishment of discriminating duties; but in this, as in so many other cases, we are left to choose between two evils. These inconveniences are nothing, when weighed against the loss of wealth, and loss of force, which will follow our perseverance in the plan of indiscrimination. When once it shall be perceived that we are

either in the system or the habit of giving equal advantages to those who extinguish our commerce and navigation by duties and prohibitions, as to those who treat both with liberality and justice, liberality and justice will be converted by all into duties and prohibitions.

It is not to the moderation and justice of others we are to trust for fair and equal access to market for our productions, or for our due share in the transportation of them, but to our means of independence, and the firm will to use them. Nor do the inconveniences of discrimination merit consideration. Not one of the nations before mentioned, perhaps not a commercial nation on earth, is without them. In our case, one distinction alone will suffice; that is to say, between nations who favour our productions and navigation, and those who do not favour them. One set of moderate duties, say the present duties for the first, and a fixed advance on these as to some articles, and prohibitions as to others, for the last.

Still it must be repeated that friendly arrangements are preferable with all who will come into them; and that we should carry into such arrangements all the liberality and spirit of accommodation which the nature of the case will admit.

France has, of her own accord, proposed negotiations for imposing, by a new treaty, on fair and equal principles, the commercial relations of the two countries. But her internal disturbances have hitherto prevented the prosecution of them to effect, though we have had repeated assurances of a continuance of the disposition.

Proposals of friendly arrangement have been made on our part, by the present government, to that of Great Britain, as the message states; but, being already on as good a footing in law, and a

better in fact, than the most favoured nation, they have not, as yet, discovered any disposition to have it meddled with.

We have no reason to conclude that friendly arrangements would be declined by the other nations, with whom we have such commercial intercourse as may render them important. In the meanwhile, it would rest with the wisdom of Congress to determine whether, as to those nations, they will not surcease ex parte regulations, on the reasonable presumption that they will concur in doing whatever justice and moderation dictate should be done.

TH: JEFFERSON.

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